
News Release From The Registrar of Contractors

July 24, 2002

Homeowners May Be Entitled to Additional Funds

New State laws, (S.B. 1399) which become effective on August 22, 2002, increase the Residential Contractors' Recovery Fund individual payment limit from \$20,000 to \$30,000 and the maximum allowed payment per residential license from \$100,000 to \$200,000. The laws also allow a claimant to collect from the contractor's license bond or other sources in addition to any recovery fund payment received, provided the actual damages suffered are greater than the \$30,000 maximum award allowed per homeowner. These higher recovery fund amounts apply to judgements awarded after September 1, 2002.

These changes permit claims for actual damages caused by a licensed residential contractor which occurred prior to September 1, 2002 but apply only to judgements awarded after September 1, 2002 as limited by A.R.S. 32-1155A and may allow homeowners further compensation if:

1. You are still the owner/occupant of the residential dwelling.
2. Your final judgement is awarded after September 1, 2002.
3. Your cause of action date is within **two years** of filing your complaint.
4. You meet all other requirements as specified by law for an award from the Residential Contractors' Recovery Fund and one of the follow conditions apply:
 - a. You have received **no** compensation or only a **partial** award of compensation from the Residential Contractors' Recovery Fund because of either the prior individual payment limit of \$20,000 or the prior maximum license limit of \$100,000 or,
 - b. You have discovered new damage for which you have not been previously compensated by the Recovery Fund.

Homeowners who believe they are eligible under the provisions of this new law, may file a civil lawsuit or file a new complaint or reopen a prior closed complaint with State Registrar of Contractors' against the residential contractor. For additional information, contact the Registrar of Contractors' Recovery Fund Department at (602) 542-1525 ext. 7720.
